

**UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA
Reading Division**

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In re:	:	Hon. Patricia M. Mayer
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SARAH W. FALKSON,	:	Bankr. Case No.: 16-13916-PMM
	:	
Debtor.	:	Chapter 13
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SARAH W. FALKSON,	:	Adv. Proc. No.: 21-00085-PMM
	:	
Plaintiff,	:	
	:	
v.	:	
	:	
NAVIENT SOLUTIONS, INC.,	:	
	:	
Defendant.	:	
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**STIPULATION IN SETTLEMENT OF ADVERSARY PROCEEDING BETWEEN
PLAINTIFF AND NAVIENT SOLUTIONS, LLC AND FOR DISMISSAL OF THIS
ADVERSARY PROCEEDING**

Plaintiff, Sarah W. Falkson (“Plaintiff”), and Navient Solutions, LLC (“Navient”), on behalf of itself and named Defendant Navient Solutions, Inc., by and through their undersigned counsel, hereby stipulate as follows:

1. On June 1, 2016, the Plaintiff filed a voluntary petition for relief under Chapter 13 of the United States Bankruptcy Code. A discharge of eligible debts was entered on August 19, 2021.
2. On November 21, 2021, the Plaintiff filed a Complaint naming Navient as a Defendant, seeking a discharge of educational loan debt under 11 U.S.C. § 523(a)(8).
3. On December 15, 2021, Navient filed its Answer to the Plaintiff’s Complaint.

4. The Plaintiff is indebted to Navient pursuant to the applicable terms of five (5) educational loan Promissory Notes (“Promissory Notes”), executed by the Plaintiff to obtain educational loans (“Student Loans”), with approximate balances, as of as of the filing of the instant adversary proceeding, as follows:

- a. one (1) educational loan initially disbursed on or about August 3, 2004, with a balance, including principal and interest, totaling \$15,931.30;
- b. one (1) educational loan initially disbursed on or about August 26, 2005, with a balance, including principal and interest, totaling \$44,698.51;
- c. one (1) educational loan initially disbursed on or about August 4, 2006, with a balance, including principal and interest, totaling \$6,802.89;
- d. one (1) educational loan initially disbursed on or about November 21, 2006, with a balance, including principal and interest, totaling \$22,566.95; and
- e. one (1) educational loan initially disbursed on or about August 1, 2007, with a balance, including principal and interest, totaling \$34,805.65.

5. As of the filing of this adversary proceeding, there was a balance due and owing under the Plaintiff’s Promissory Notes, including principal and interest, in the aggregate amount of approximately \$124,805.30 (“Outstanding Balance”), with variable interest rates, and with interest accruing thereafter pursuant to the Promissory Notes.

6. The Outstanding Balance is currently due and owing on the Promissory Notes and the Student Loans evidenced by the Promissory Notes are non-dischargeable educational loans, pursuant to 11 U.S.C. § 523(a)(8).

7. With respect to the educational loan identified in paragraphs 4(c) and 4(d) above, initially disbursed on or about August 4, 2006 and November 21, 2006 respectively, Navient represents that these loans are subject to a separate settlement agreement with the Attorneys General of several states, and are to be forgiven pursuant to the terms of a separate settlement agreement. As of the filing of the instant adversary proceeding, the balance due on the remaining

educational loans, identified in paragraphs 4(a), 4(b) and 4(e) above, initially disbursed or about August 3, 2004, August 26, 2005 and August 1, 2007 respectively, totaled approximately \$95,435.46 (“Remaining Balance”).

8. For so long as Plaintiff does not default under this Stipulation, the Remaining Balance shall be reduced to \$55,000.00 (“Reduced Balance”), and the variable interest rates shall be reduced to a fixed rate of 1% (“Reduced Interest”), and the Plaintiff shall repay the Reduced Balance at the Reduced Interest rate as follows: \$207.28 per month for a period of three hundred (300) consecutive months. The first monthly payment is due to be received by Navient on or before **June 4, 2022**, with subsequent payments to be received on or before the **fourth (4th)** day of each month thereafter.

9. All payments made pursuant to this Stipulation shall note the Plaintiff’s ten digit account number, *****7677 (redacted here for privacy reasons) on the payment and shall be mailed to “Navient Solutions, LLC, P.O. Box 9000, Wilkes-Barre, PA 18773-9000,” or to any other address provided to the Plaintiff by Navient in writing.

10. The following shall be Events of Default hereunder: (a) the Plaintiff shall fail to make any payment due hereunder within thirty (30) days of the due date without securing Navient’s agreement to a forbearance of such payment(s); or (b) the Plaintiff commences any further legal proceedings against Navient, its predecessors, successors or assigns, seeking to discharge debt.

11. Upon the occurrence of an Event of Default under this Stipulation, pursuant to Paragraph 10 of this Stipulation, any forgiveness of the principal and interest is revoked, and the Plaintiff will be liable for the full amount of the Remaining Balance, as referenced above, plus interest pursuant to the applicable terms of the Promissory Notes for the Plaintiff’s Student

Loans (less any payments made hereunder which, following default shall be applied first to interest that would have accrued had this Stipulation not been in effect, and then to principal).

12. There is no penalty for prepayment under this Stipulation but any prepayment, unless it is payment in full, does not relieve the Plaintiff of the obligation to make ongoing monthly payments.

13. In the event the Plaintiff, pursuant to applicable Navient policy and the terms of the Promissory Notes, qualifies for, or the parties agree to, any deferment or forbearance of payment obligations, after this Stipulation is approved, interest will continue to accrue during the time of any such deferment or forbearance, at the interest rate stated herein, so that the total amount to be repaid, and the monthly payments required, may increase from that stated herein.

14. Should any issues arise, related to billing or repayment of loans subject to this agreement, wherein the Plaintiff believes that billing or collection efforts related to the loans subject to this agreement are not in accordance with this Stipulation, the Plaintiff agrees that such issues should be directed to a Supervisor or Manager in Navient's Bankruptcy Litigation Unit, who may be reached at 1-800-251-4127, or to any other telephone number provided by Navient in writing, or in response to a specific borrower inquiry. The parties understand that any such communications, if not directed as specified in this Paragraph, may not be addressed in a timely manner, or in a manner specifically in accordance with this Stipulation.

15. Except as provided in this Stipulation, all other terms of the Promissory Notes remain in effect and are hereby incorporated by reference.

16. Any amendment, modification, or waiver of any term or condition of this Stipulation must be made in writing and signed by all parties hereto.

17. This Stipulation may be executed in counterparts, or by facsimile, each of which shall constitute an original, but all of which together shall constitute one and the same Stipulation.

18. The parties hereto agree to the dismissal of the instant adversary proceeding, subject to the terms of this Stipulation.

WHEREFORE, the parties pray this Honorable Court for an Order approving the instant Stipulation and dismissing this adversary proceeding.

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Dated: 4/30/22

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Dated: 5/4/22